



CASA

Court Appointed Special Advocates
For Children

Financial Statements

June 30, 2017



Clothier & Company CPA's P.C.

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Court Appointed Special Advocate for Children, Inc.
Table of Contents
June 30, 2017

Independent Auditors' Report	1-2
Statement of Assets, Liabilities and Net Assets-Modified Cash Basis	3
Statement of Public Support and Revenues, Expenses, and Other Changes In Net Assets-Modified Cash Basis	4
Statement of Functional Expenses-Modified Cash Basis	5
Statement of Cash Flows-Modified Cash Basis	6
Notes to the Financial Statement	7-14
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	15-16



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Court Appointed Special Advocate for Children, Inc.
Muskogee, Oklahoma

We have audited the accompanying financial statements of Court Appointed Special Advocate for Children, Inc. (a nonprofit organization), which comprise of the statement of assets, liabilities, and net assets – modified cash basis of as of June 30, 2017, and the related statement of public support, revenue, expenses, and other changes in net assets, and the statement of functional expenses, and the statement of cash flows – modified cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above presents fairly, in all material respects, the assets, liabilities, and net assets of Court Appointed Special Advocate for Children, Inc. as of June 30, 2017, and its public support, revenues, expenses, and changes in net assets, functional expense, and cash flows for the year then ended in accordance with the modified cash basis of accounting described in note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 6 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In Accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2018, on our consideration of Court Appointed Special Advocate for Children, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Court Appointed Special Advocate for Children, Inc.'s internal control over financial reporting and compliance.



Clothier & Company CPA's PC
May 14, 2018

COURT APPOINTED SPECIAL ADVOCATE FOR CHILDREN, INC.
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
 June 30, 2017

ASSETS	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
CURRENT ASSETS				
Cash on hand and in banks	\$55,224	\$0	\$0	\$55,224
Money-market cash	0	0	0	0
Certificates of deposit	<u>26,658</u>	<u>0</u>	<u>0</u>	<u>26,658</u>
Total current assets	81,882	0	0	81,882
FIXED ASSETS				
Fixed assets, net of depreciation	12,432	0	0	12,432
OTHER ASSETS				
Investments, at market	<u>90,392</u>	<u>0</u>	<u>93,038</u>	<u>183,430</u>
TOTAL ASSETS	<u><u>\$184,706</u></u>	<u><u>\$0</u></u>	<u><u>\$93,038</u></u>	<u><u>\$277,744</u></u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Payroll tax liabilities	\$2,626	\$0	\$0	\$2,626
Internal (receivable) payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total current liabilities	2,626	0	0	2,626
COMMITMENTS AND CONTINGENCIES	0	0	0	0
NET ASSETS	<u>182,080</u>	<u>0</u>	<u>93,038</u>	<u>275,118</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$184,706</u></u>	<u><u>\$0</u></u>	<u><u>\$93,038</u></u>	<u><u>\$277,744</u></u>

See accompanying notes and independent auditors' report.

COURT APPOINTED SPECIAL ADVOCATE FOR CHILDREN, INC.
STATEMENTS OF PUBLIC SUPPORT AND REVENUES, EXPENSES AND OTHER
CHANGES IN NET ASSETS - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE				
PUBLIC SUPPORT				
Grants	\$381,068	\$0	\$0	\$381,068
Proceeds of fund raising events	26,295	0	0	26,295
Cash contributions				
Lake Area United Way, Inc.	25,311	0	0	25,311
Other direct cash contributions	4,457	0	0	4,457
In-kind contributions	52,337	0	0	52,337
Total public support	<u>489,468</u>	<u>0</u>	<u>0</u>	<u>489,468</u>
REVENUE				
Investment income (loss)	357	0	1,593	1,950
Unrealized investment gains (losses)	11,082	0	8,442	19,524
Realized investment gains (losses)	1,414	0	109	1,523
Investment distributions	0	0	0	0
Total revenue	<u>12,853</u>	<u>0</u>	<u>10,144</u>	<u>22,997</u>
Net assets released from restriction	3,436	0	(3,436)	0
TOTAL PUBLIC SUPPORT AND REVENUE	<u>\$505,757</u>	<u>\$0</u>	<u>\$6,708</u>	<u>\$512,465</u>
EXPENSES				
PROGRAM SERVICES				
Special advocate program	\$338,149	\$0	\$0	\$338,149
SUPPORTING SERVICES				
Management and general	87,523	0	788	88,311
Fund raising	33,211	0	0	33,211
Total supporting services	<u>120,734</u>	<u>0</u>	<u>788</u>	<u>121,522</u>
Total expenses	<u>458,883</u>	<u>0</u>	<u>788</u>	<u>459,671</u>
Excess of public support and revenues over expenses	46,875	0	5,920	52,795
Transfers	0	0	0	0
CHANGE IN NET ASSETS	<u>46,875</u>	<u>0</u>	<u>5,920</u>	<u>52,795</u>
NET ASSETS - BEGINNING OF YEAR	<u>135,205</u>	<u>0</u>	<u>87,118</u>	<u>222,323</u>
NET ASSETS - END OF YEAR	<u>\$182,080</u>	<u>\$0</u>	<u>\$93,038</u>	<u>\$275,118</u>

See accompanying notes and independent auditors' report.

COURT APPOINTED SPECIAL ADVOCATE FOR CHILDREN, INC.

STATEMENTS OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2017

	Program Services	Supporting services			Total Expenses
	Special Advocate Program	Management and General	Fund Raising	Total Supporting Services	
Personnel					
Salaries and employee benefits	\$190,733	\$54,495	\$27,248	\$81,743	\$272,476
Payroll taxes and insurance	14,513	4,147	2,073	6,220	20,733
Total personnel expenses	<u>205,246</u>	<u>58,642</u>	<u>29,321</u>	<u>87,963</u>	<u>293,209</u>
Occupancy					
Facility rent	11,340	3,240	1,620	4,860	16,200
Insurance	3,763	1,003	251	1,254	5,017
Total occupancy	<u>15,103</u>	<u>4,243</u>	<u>1,871</u>	<u>6,114</u>	<u>21,217</u>
Other operating expenses					
Professional fees	0	5,185	0	5,185	5,185
Education/abuse prevention	0	0	0	0	0
Depreciation and amortization	4,214	3,065	383	3,448	7,662
Office supplies	6,652	1,247	416	1,663	8,315
Telephone	3,395	637	212	849	4,244
Printing	65	8	8	16	81
Dues, fees and subscriptions	0	5,662	0	5,662	5,662
Postage	597	171	85	256	853
Equipment	7,319	915	915	1,830	9,149
Training	16,090	847	0	847	16,937
Travel expenses	9,048	1,005	0	1,005	10,053
Volunteer recruitment and recognition	18,083	0	0	0	18,083
In-kind expenses	52,337	0	0	0	52,337
Miscellaneous and other	0	6,684	0	6,684	6,684
Total other operating expenses	<u>117,800</u>	<u>25,426</u>	<u>2,019</u>	<u>27,445</u>	<u>145,245</u>
Total Expenses	<u>\$338,149</u>	<u>\$88,311</u>	<u>\$33,211</u>	<u>\$121,522</u>	<u>\$459,671</u>

See accompanying notes and independent auditors' report.

COURT APPOINTED SPECIAL ADVOCATE FOR CHILDREN, INC.

STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Increase (decrease) in net assets	\$46,875	\$0	\$5,920	\$52,795
Adjustments necessary to reconcile increase in net assets to cash provided by operating activity				
Depreciation and Amortization	7,662	0	0	7,662
Increase (decrease) in:				
Payroll tax liabilities	(1,765)	0	0	(1,765)
Internal (receivable) payable	0	0	0	0
Cash provided (used) by operating activities	<u>52,772</u>	<u>0</u>	<u>5,920</u>	<u>58,692</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Net (additions to) withdrawals from certificates of deposit and investments	(16,174)	0	(5,920)	(22,094)
Acquisition of property and equipment	(15,095)	0	0	(15,095)
Cash provided (used) by investing activities	<u>(31,269)</u>	<u>0</u>	<u>(5,920)</u>	<u>(37,189)</u>
INCREASE (DECREASE) IN CASH BALANCE	21,503	0	0	21,503
CASH BALANCES - BEGINNING OF YEAR	54,459	0	0	54,459
CASH BALANCES - END OF YEAR	<u>\$75,962</u>	<u>\$0</u>	<u>\$0</u>	<u>\$75,962</u>
COMPOSITION OF CASH BALANCES				
Cash on hand and in banks	\$81,882	\$0	\$0	\$81,882
Money - market cash	0	0	0	0
	<u>\$81,882</u>	<u>\$0</u>	<u>\$0</u>	<u>\$81,882</u>
SUPPLEMENTAL INFORMATION				
Cash paid during the year for interest	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Cash paid during the year for income taxes	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

See accompanying notes and independent auditors' report.

COURT APPOINTED SPECIAL ADVOCATE FOR CHILDREN, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the organization

Court Appointed Special Advocate for Children, Inc. (CASA) is a not-for-profit organization originally incorporated under the laws of the State of Oklahoma in 1996. Prior to amending its Oklahoma Articles of Incorporation in June 2002, the organization's legal name was Court Appointed Special Advocate of Muskogee County, Inc. The name change was made in order to more accurately reflect the purpose and goals of the organization.

CASA was originally formed by a group of local civic-minded individuals who were concerned by the significant numbers of abused and neglected children in Northeastern Oklahoma in need of safe, permanent, nurturing homes. CASA's primary goals are to train community volunteers to serve as advocates for these children and, through multidisciplinary collaborative efforts with other community agencies, ensure the child's right to safety and permanence in a family.

In order to better serve the needs of abused and neglected children, in late 2006 CASA opened a satellite office in Wagoner, Oklahoma. The office is staffed by a part-time case manager. During FY 2014 CASA opened a satellite office in Sequoyah County.

Basis of accounting

CASA prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Consequently, revenues are generally recognized when received and expenses when paid. Under generally accepted accounting principles, revenues are generally recognized when earned and expenses when incurred.

Significant accounting policies

The following summarizes the more significant accounting policies employed by CASA:

Financial statement presentation

CASA prepares its financial statements in accordance with FASB ASC 958 *Not-for-profit Entities - Presentation of Financial Statements*. Under FASB ASC 958, CASA is required to report information regarding its modified cash basis assets, liabilities, and net assets and its modified cash basis revenues, expenses and other changes in net assets according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based on the existence of donor-imposed restrictions. Accordingly, net assets of CASA and changes therein are required to be classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, by actions of CASA and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by CASA. Generally, the donors of these assets permit the non-profit entity to use all or part of the income earned on any related investments for general or specific purposes.

In addition, under the provisions of FASB ASC 230, CASA is required to present a statement of cash flows.

Contribution revenues

CASA reports contribution revenues as received. All contributions are available for unrestricted use unless specifically restricted by the donor. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Prior to 2006, CASA had received no contributions that resulted in permanently restricted net assets. As described in Note 3, below, matching funds from a local charitable foundation together with funds raised by CASA were used to establish the Patricia A. Acebo Permanent Endowment Fund. Since its inception, the Patricia A. Acebo Permanent Endowment Fund has continued to receive donations from external donors.

In-kind contributions

Non cash contributions of goods and services are recognized at fair value if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The value of community volunteer advocate time contributions, while computed and accounted for by CASA management for grant matching purposes is, accordingly, not reflected in the accompanying financial statements. While integral to the accomplishment of CASA's primary goals, significant contributions of time by local civic-minded individuals, especially by the membership of CASA's Board of Directors, are likewise not recognized in the accompanying financial statements.

Cash and equivalents

For the purpose of the statement of cash flows, CASA considers all unrestricted cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Endowments

As more fully discussed in Note 3, in November 2007, CASA transferred substantially all of the assets of the Patricia A. Acebo Permanent Endowment Fund to external, publically supported, tax-exempt foundation, naming itself, CASA, as beneficiary. In accordance with the provisions of Statement of Financial Accounting Standards No. 136, *Transfers of Assets to a Not-for-profit Organization or Charitable Trust That Raises or Holds Contributions for Others (SFAS 136)*, and because CASA transferred the assets and named itself as the sole beneficiary, the Endowments have been recognized as assets on CASA's statement of assets, liabilities, and net assets – modified cash basis.

CASA's beneficial interest in endowment funds received directly by the external foundations from third parties are recorded as assets of CASA only when the external foundations have not retained variance power with respect to such funds.

Investments

Investments in debt and equity securities are initially recorded at cost, if purchased, or fair market value at the date of donation, if donated. Thereafter, the carrying values of the securities are adjusted to fair value through recognition of unrealized gains and losses in the statement of public support and revenues, expenses and other changes in net assets.

Furniture, fixtures and equipment

Furniture, fixtures and equipment are recorded at cost (if purchased) or fair value at the date of contribution (if contributed). Expenditures and contributions for improvements and betterments are capitalized whereas maintenance and repairs are charged to expense as incurred. Depreciation of furniture, fixtures and equipment is provided on an accelerated basis over estimated useful lives of three to seven years.

Functional allocation of expenses

The cost of providing CASA's programs and supporting services have been summarized on a functional basis in the statement of revenues, expenses and other changes in net assets and reported by function in the accompanying statement of functional expenses. Costs directly attributable to a program or activity are charged accordingly whereas expenses that benefit more than one program or activity are allocated on an appropriate basis.

Income tax status

CASA is generally exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes has been made in the accompanying financial statements.

The Organization's Form 990, *Return of Organization Exempt from Income Tax*, for years ending 2014, 2015, and 2016 are subject to examination by the IRS, generally for three years after they were filed.

As an organization classified by the Internal Revenue Service as one that is not a private foundation, CASA qualifies as an organization to which donors may make income tax deductible contributions and to which bequests, legacies, devises, transfers, or gifts are generally deductible for federal gift and estate tax purposes.

Estimates

The preparation of financial statements on a modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – CASH AND EQUIVALENTS AND CERTIFICATE OF DEPOSIT

Cash balances at June 30, 2017 are held in a non-interest bearing checking account at a local financial institution. This balance as well as all certificates of deposit, are protected from loss by the Federal Depository Insurance Corporation (FDIC).

NOTE 3 – ENDOWMENT FUND INVESTMENTS AND INVESTMENT INCOME

In September 2005, the Kirschner Foundation of Muskogee, Oklahoma awarded CASA a \$10,000 matching grant for the purpose of establishing the Patricia A. Acebo Permanent Endowment Fund (the "Endowment Fund"). As provided in the original grant award, CASA was required to obtain through its own fundraising efforts amounts that at least equaled the initial conditional \$10,000 grant award. CASA satisfied the donor's matching funds requirement in August 2007 and was awarded the Kirschner Foundation grant on August 28, 2007.

In November 2007, CASA's Board of Directors elected to create externally managed endowments through transfer of substantially all of the assets of the Endowment Fund to two external, publically supported, tax-exempt organizations: Communities Foundation of Oklahoma (CFO) and Tulsa Community Foundation (TCF). Agency Endowment Fund Agreements (the Agreements) were executed in late November 2007 and were funded by initial asset transfers of \$10,852 to each of the organizations.

The Agreements provide that the monies contributed by CASA are to be considered as component parts of the individual Foundations and are to be invested as part of the Foundations' pooled investment funds. Return to CASA of amounts contributed by CASA for its own benefit (Agency Accounts) may be made only after an affirmative vote of 2/3 of CASA's Board of Directors and then, only after obtaining the approval of the Foundations' Board of Directors.

In fiscal years 2010 and 2009, Communities Foundation of Oklahoma received third-party matching fund grants of \$3,000 and \$5,000, respectively, for the benefit of CASA. These third-party donations were placed in a CFO Beneficial Interest Account. CASA is entitled to the earnings from Beneficial Interest Account as long as it continues its Agency Account participation with CFO. Since CFO has retained variance power with respect to such funds, the Beneficial Interest Account, together with its investment activity, are not reported in CASA's financial statements. Amounts directly contributed by third-parties to CFO are not refundable to CASA under any circumstances.

In October 2012 the CASA Board of Directors approved the transfer of \$40,000 from a matured Certificate of Deposit to open a Mutual Fund account with Edwards Jones.

The following summarizes activity in the investment accounts during the year ended June 30, 2017:

	#556			
	Communities Foundation of Oklahoma	Tulsa Community Foundation	Edward Jones	Total
Beginning Balance, July 1, 2016	72,396	14,723	80,138	167,257
Agency Contributions Received From Third Parties and Transferred from CASA Agency Account Contributions Transferred from Beneficial Interest Account			-	-
Assets Released From Restriction	(3,436)			
Investment Income/(Loss), Net of Fees	760	44	(827)	(23)
Gain/(Loss)	6,864	1,687	11,082	19,633
Ending Balance, June 30, 2017	<u>76,584</u>	<u>16,454</u>	<u>90,393</u>	<u>186,867</u>

Investment accounts at CFO and TCF are comprised of ownership interests in investment pools owned by the Foundations. The investment pools are principally comprised of debt and equity securities. Investments income is comprised of dividends, interest and CASA's proportionate share of dividends and interest and realized gains and losses of the pooled investment funds.

As provided in the original grant agreement and as approved by CASA's Board of Directors, the grant award, together with the matching funds provided by CASA and subsequently received contributions required by the donors to be added to the Endowment Fund, have been or will be placed in the Endowment Fund, subject to the following terms and conditions:

- Fund corpus is to remain in perpetuity and be invested by CASA’s Board of Directors and/or its appointees in a prudent business manner.
- Capital gain and loss transactions are to be considered “corpus” transactions and are to revert thereto.
- During the initial five years of the Endowment Fund, all income transactions are to be retained and are to revert to corpus.
- At the end of the sixth year of the Endowment Fund, and each successive year thereafter, at the sole discretion of the Board of Directors, up to 50% of the Endowment Fund’s annual income may be distributed to CASA for the purpose of paying current operating expenses. Annual income not so distributed is to revert to corpus.
- Subsequent contributions received by CASA and designated for the Endowment Fund by the donor will be subject to the same terms and conditions placed on the Endowment Fund by the original grant award.

NOTE 4 – PUBLIC SUPPORT GRANTS

The following summarizes the components of grants received as public support during the year ended June 30, 2017:

Funding Source	Grant Contract Period	Total Grant Contract	Support received during year ending 6/30/17
City of Muskogee Foundation	2016-2017	86,330	86,330
Federal Victims of Crime Act (VOCA) through the State of Oklahoma VOCA	2016-2017	237,937	202,013
Federal Victims of Crime Act (VOCA) through the State of Oklahoma VOCA	2015-2016	84,379	750
Oklahoma CASA Association	2015-2016	93,200	34,467
Oklahoma CASA Association	2016-2017	85,200	47,658
Sarkeys	2016-2017	8,650	8,650
Grants Misc			1,200
		595,696	381,068
Total Grants			

The Federal Victims of Crime Act (VOCA) grant allowed for an additional \$52,337 for In-Kind Hours, which was reported as revenue.

NOTE 5 – FUNDRAISING EVENTS

CASA’s Board of Directors, management and community volunteers conduct fundraising events and activities designed not only to raise necessary operating funds, but also to increase community awareness of CASA and its efforts to combat the problems confronting Northeastern Oklahoma’s abused and neglected children.

The following summarizes the fundraising events and activities for the year ended June 30, 2017:

Event	Cash	In-kind	Fundraising costs & expenses	Net proceeds from fundraising event
Wagoner	7338	0	1685	5653
Exchange Club	12250	0	2785	9465
Muskogee				
Fundraiser	4349	0	5584	-1235
Community	2358	0		2358
	<u>26295</u>	<u>0</u>	<u>10054</u>	<u>16241</u>

NOTE 6 – UNITED WAY PARTICIPATION

CASA has been accepted as a participating member agency in the Lake Area United Way, Inc. (United Way). As a participating member agency, CASA shares in the joint funds raised by United Way in its annual fall community fund raising effort.

As a United Way participating agency, CASA is subject to certain United Way participation conditions:

- CASA may not conduct benefits, campaigns or solicitations for financial assistance for ordinary routine purposes, or any similar campaigns for special financial purposes, within the city limits of Muskogee, Oklahoma without first obtaining the consent of the Board of Directors of United Way.
- CASA must continue to maintain responsible management, with a qualified, unpaid Board of Directors that is required to hold a meeting at least four times annually.
- CASA must cooperate with other social agencies in preventing overlapping and/or duplication of efforts and in promoting effective service and efficiencies and economies of administration.
- CASA may not undertake new programs and/or substantially increase the scope of its existing social services without first obtaining the consent of the United Way Board of Directors.
- CASA must file its annual financial statements with United Way. Such financial statements must be audited by independent Certified Public Accountants or an accountant acceptable to the Board of Directors of United Way.
- CASA must provide to United Way such other information as may be reasonably requested by United Way’s Board of Directors and/or its Admissions Committee.
- CASA must abide by the rules and regulation set forth by United Way.

In recognition of the rightful privileges and autonomous nature of CASA, United Way is to function in the capacity of a fundraising agency. Its duties and responsibilities to CASA include:

- The right to make recommendations which it feels will promote improvements in the service and/or pattern of services provided to the community by CASA.
- To promote CASA as a participating agency in its relationship with the giving public.
- To distribute funds to CASA on a monthly basis, in amounts mutually agreed upon by United Way and CASA.
- To allow CASA to accept unsolicited contributions.

Member agency participation will continue from year to year and shall be binding upon both CASA and United Way. Termination may be made by either CASA or Untied Way by means of a timely given written notice by either party. Such notice must be presented to the other party at least three (3) months prior to the opening date of United Way’s annual fall campaign. Additionally, subject to certain constraints, United Way has the retained right to expel any participating member agency at any time by vote of two-thirds of its Board of Directors.

NOTE 7 – FAIR VALUES

Financial Instruments – The following methods and assumptions were used by the Company in estimating fair value disclosures for financial instruments:

- Cash, cash equivalents, short-term unconditional promises to give, and note payable: The carrying amounts reported in the statement of assets, liabilities, and net assets – modified cash basis approximate fair values because of the short maturities of those instruments.
- Other and endowment investments: The fair values of any investments are based on quoted market prices for those or similar investments. The estimated fair values of the Organization’s financial instruments are as follows:

	Carrying Amount
#556 Communities Foundation of Oklahoma	\$ 76,584
Tulsa Community Foundation	16,454
Edward Jones- 22 Mutual Funds	90,393
	<u>\$ 186,867</u>

NOTE 8 – PROPERTY, PLANT & EQUIPMENT

	Beginning Balance	Additions/ Deletions	Accumulated Depreciation	Book Balance
Furniture/Fixtures	21,805	15,095	(24,468)	12,432
	<u>21,805</u>	<u>15,095</u>	<u>(24,468)</u>	<u>12,432</u>

Depreciation expense for the year ending June 30, 2017 was \$7,662.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Grant funding sources and makers of temporarily restricted donations may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of perceived non-compliance by CASA with the terms of grants and/or restricted donations.

NOTE 10 – EVALUATION OF SUBSEQUENT EVENTS

The grants have increased this year and are expected to continue to increase next year, with the exception of the Muskogee Foundation Grant which has decreased for all funded agencies.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Court Appointed Special Advocate for Children, Inc.
Muskogee, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Court Appointed Special Advocate for Children, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities and net assets-modified cash basis as of June 30, 2017, and the related statements of revenue, expenses and changes in net assets-modified cash basis, functional expense and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 14, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Clothier & Company, CPA's, P.C.
May 14, 2018